



Committee On Finance

Max Baucus, Ranking Member

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Introduction of "The Free Trade with Cuba Act of 2003" **Floor Speech by Senator Max Baucus**

Mr. President, I rise today to introduce the Free Trade with Cuba Act of 2003. This legislation represents an important step toward normalizing the United States' economic relations with Cuba and opening a dialogue between our two nations.

Perhaps more importantly, this bill promotes human rights and democracy in a nation that has suffered under totalitarian rule for more than four decades, an objective central to the same democratic principles that have driven our foreign policy since the end of the Second World War.

The Free Trade with Cuba Act contains three essential components:

- First, it lifts the trade embargo against Cuba;
- Second, it graduates Cuba from Jackson-Vanik and authorizes the President to extend non-discriminatory trade treatment to Cuba;
- And finally, it removes the restrictions on travel between our two countries.

I should note that this legislation is similar to the legislation I introduced in the last Congress, S. 400 and S. 401. That legislation was referred to the Finance Committee, and I am hopeful that this is an issue that the Finance Committee will examine this year.

Mr. President, this legislation is long overdue. In 1962, the United States embargoed virtually all trade with Cuba as a response to the rise of a totalitarian regime and the seizure of American property. Over the years, U.S. sanctions against Cuba were further tightened, culminating with restrictions on the rights of Americans to visit Cuba.

Within the context of the Cold War, many of these sanctions seemed to make sense. Yet, throughout that time, the embargo appeared to have little – if any – effect on the Castro regime. Forty years of the embargo - four decades of disengagement - have simply not worked. It is time to try a new approach. It is time for engagement.

Now, supporters of the embargo will throw out many arguments against this legislation. They will say, for example, that the private property of U.S. citizens that was taken in the early days of the Castro regime compels us to refuse trade with Cuba until we get that property back. They will point out the horrendous treatment of Cuban citizens by Castro and the denial of even the most basic human liberties.

Let us be clear. These are problems of the highest magnitude, and they must be resolved. Yet, the debate isn't whether these problems exist - they do. The question is *how* to resolve them.

Forty years of embargo have done nothing to gain a return of private assets expropriated so long ago by Castro. And forty years of embargo have done nothing to improve the living conditions and the prospects for democratic reform in Cuba. If anything, the embargo has lessened the prospects for reform, by giving Castro someone else to blame for the terrible economic plight of his people.

In other words, while these problems may seem complicated, the one thing we can say that we do know, for certain, is this: The current policy is not the answer. The current policy is a total failure. So, we must look to alternatives. How would this legislation resolve these problems?

First, as to expropriation, the legislation I am proposing today calls for the President to undertake negotiations with the government of Cuba to settle this issue and make sure that those harmed by this expropriation are fairly compensated.

Second, as to the crucial issues of human rights and democratic reform, this legislation simply reflects a common-sense truth – that engagement between the American and Cuban peoples will do more to open Cuban society, just as it has around the world for two hundred years, than silence and neglect.

And let us not delude ourselves - the embargo is simply an official word for neglect. By not engaging the Cuban people, by not opening our world and our traditions to them, we are neglecting them. You know, last year, we worked hard to further trade liberalization by passing the Trade Act of 2002. When the President signed that legislation, he said this:

"Free trade is also a proven strategy for building global prosperity and adding to the momentum of political freedom." He added: "Greater freedom for commerce *across* the borders eventually leads to greater freedom for citizens *within* the borders."

I agree. And this statement is as true for Cuba as it is for any other country.

Third, on the economics of this. We are in tough times right now. Our farmers and workers are hurting. Yet here is a market worth as much as \$1 billion per year that we are shutting ourselves out of. It makes no sense.

The embargo against Cuba accomplishes nothing but to hurt our farmers, our workers, and our companies – by excluding them from a potential market. Meanwhile, the EU, Japan, Mexico, Canada – and dozens of other countries – are busy selling goods and building commercial relations.

There is a final point to make, as well. It is about the basic rights and freedoms of the American people. It is a fundamental violation of the spirit of our democratic principles to tell the American people that they cannot travel to Cuba. What a sad irony it is in trying to promote freedom and democracy in another country by restricting it in your own.

It is time to get real about promoting freedom and democracy. It is time to get real about economic expansion. It is time to end the embargo.